



BRUCE A. CHERNOF, M.D.
Acting Director and Chief Medical Officer

JOHN R. COCHRAN, III
Chief Deputy Director

WILLIAM LOOS, M.D.
Acting Senior Medical Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

February 23, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF SOLE SOURCE AGREEMENT WITH NETRESULT, LLC FOR A WEB-
BASED ELECTRONIC DEATH REGISTRATION SYSTEM**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize and instruct the Acting Director of Health Services, or his designee, to sign a new sole source Agreement with NetResult, LLC (NetResult), for key data entry of death certificates using a web-based electronic death registration and tracking system developed by the State of California Department of Health Services (State DHS), substantially similar to Exhibit I, with a maximum County obligation of \$200,000, 100% offset by the County's Vital Records Improvement Fund (VRIF), effective upon the Board of Supervisors' approval through December 31, 2006.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION(S):

In approving this action, the Board is instructing the Acting Director of Health Services, or his designee, to sign an agreement with NetResult for the data entry of death certificates using a web-based electronic death registration and tracking system developed by the State.

FISCAL IMPACT/FINANCING:

The maximum County obligation for the agreement with NetResult is \$200,000, 100% offset by the VRIF, effective upon the Board of Supervisors' approval through December 31, 2006.

Funding for this Agreement is included in the Fiscal Year 2005-06 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS:

California State law mandates death certificate registration. On January 1, 2005, the State implemented the Electronic Death Registration System (EDRS) pursuant to California Health and Safety Code, Section 102778. The purpose of the EDRS is for the creation, storage and transfer of death registration information electronically, using a web-based electronic system. The EDRS is being implemented in all the counties in California. During startup, until the system becomes operational throughout the State, it is necessary to contract for a portion of the data entry into the EDRS. Once operational, this data entry is done at the point of creation of the death certificate by hospitals, funeral homes or the coroner's office.

The State DHS selected all vendors to assist the counties in the key data entry of death certificates through the California Department of General Services Master Service Agreement (MSA) process. NetResult was selected by the State DHS as a certified Southern California small business with the lowest bid and was approved for the use by counties for key entry of death certificate information into the EDRS. The State authorized and trained NetResult staff to use the EDRS in this County. NetResult will comply with all relevant security requirements, such as, Health Insurance Portability and Accountability Act for processing confidential data.

On May 2, 2005, the County initiated a \$95,000 Purchase Order (P.O. No. S40242) for NetResult to work on the data entry of 19,000 death certificates, pending the Centers for Disease Control and Prevention (CDC) approval to transfer funding from one County project to this project. On September 15, 2005, CDC approved the transfer of funds. NetResult received copies of the death certificates from the County in late October 2005 and started data entry on November 1, 2005. Funding was 100% offset by CDC, Cooperative Agreement No. U90-CCU917012-05 (FY 2004-05), Bioterrorism Preparedness and Response, Focus Area B, Surveillance and Epidemiology Capacity monies and overseen by the Acute Communicable Disease Control Program.

Los Angeles County is now in a transitional period with limited access to the EDRS, solely for data entry. The County has a five-month processing backlog of death certificates, due to an insufficient number of staff and deficiencies in the current data entry system. The State has requested that non-governmental vendors assist the County in the data entry of the death certificates to bring the County up-to-date or current with the entry of all 2005 death certificates. The death certificate information will be used to support the critical needs for mortality reporting, e.g., bioterrorism surveillance.

Attachment A provides additional information. County Counsel has approved Exhibit I as to use and form.

CONTRACTING PROCESS:

The State selected the vendor for all the counties for the entry of death certificate information. NetResult was selected through the State's bidding process.

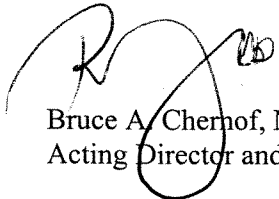
The Honorable Board of Supervisors
February 23, 2006
Page 3

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of this Agreement will allow the County to continue entering death certificates into the mandated EDRS.

When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Bruce A. Chernof', is written over the printed name and title.

Bruce A. Chernof, M.D.
Acting Director and Chief Medical Officer

BAC: kke
Netresult.ke.wpd

Attachments (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT
(NetResult, LLC)

1. **TYPE OF SERVICE:**

NetResult, LLC will enter all death certificates from the County of Los Angeles into a web-based electronic death registration and tracking system (EDRS) developed by the State of California.

2. **AGENCY ADDRESS AND CONTRACT PERSON:**

NetResult, LLC
10051 Trask Avenue
Garden Grove, CA 92843
Telephone: (714) 638-9400
Attention: Phat Bui, Project Director

3. **TERM:**

Effective upon Board of Supervisors' approval through December 31, 2006.

4. **FINANCIAL INFORMATION:**

The maximum County obligation for this agreement is \$200,000, 100% offset by the County's Vital Records Improvement Fund (VRIF). Funding is included in the Fiscal Year 2005-06 Final Budget and will be requested in future fiscal years.

5. **PRIMARY GEOGRAPHIC AREA TO BE SERVED:**

All Districts

6. **DESIGNATED ACCOUNTABLE FOR PROGRAM EVALUATION:**

Frank Sorvillo, Ph.D., Chief, Data Collection and Analysis

7. **APPROVALS:**

Health Services Administration: Fred Leaf, Deputy

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Allison Morse, Deputy County Counsel

**AGREEMENT
BY AND BETWEEN**

**COUNTY OF LOS ANGELES
AND**

**NETRESULT, LLC
FOR**

**KEY DATA ENTRY OF DEATH CERTIFICATES
USING A WEB-BASED ELECTRONIC
DEATH REGISTRATION SYSTEM**

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>TITLE</u>	<u>PAGE</u>
RECITALS	1
1.	APPLICABLE DOCUMENTS AND DEFINITIONS	1
2.	ADMINISTRATION OF AGREEMENT - COUNTY	5
3.	ADMINISTRATION OF AGREEMENT - CONTRACTOR	7
4.	WORK	9
5.	TERM	9
6.	NON-EXCLUSIVITY.....	10
7.	CHANGE NOTICES AND AMENDMENTS	10
8.	CONTRACT SUM	10
9.	INVOICES AND PAYMENTS.....	11
10.	PROHIBITION AGAINST DELEGATION AND ASSIGNMENT.....	11
11.	WARRANTY AGAINST CONTINGENT FEES	12
12.	INDEPENDENT CONTRACTOR STATUS	12
13.	INDEMNIFICATION, INSURANCE, AND COVERAGE	13
14.	RECORDS AND AUDITS	16
15.	COUNTY AUDIT SETTLEMENTS	17
16.	FEDERAL ACCESS TO RECORDS	17
17.	DISCLOSURE OF INFORMATION	18
18.	PROPRIETARY CONSIDERATION.....	19
19.	COMPLIANCE WITH APPLICABLE LAW	20
20.	FAIR LABOR STANDARDS.....	21
21.	NONDISCRIMINATION AND AFFIRMATIVE ACTION AND COMPLIANCE WITH CIVIL RIGHTS LAWS	21
22.	EMPLOYMENT ELIGIBILITY VERIFICATION	23
23.	WAIVER.....	23
24.	GOVERNING LAW, JURISDICTION AND VENUE	24
25.	TERMINATION FOR INSOLVENCY	24
26.	TERMINATION FOR DEFAULT.....	25
27.	TERMINATION FOR IMPROPER CONSIDERATION.....	27
28.	TERMINATION FOR CONVENIENCE	27
29.	PROHIBITION AGAINST SUBCONTRACTING	28

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>TITLE</u>	<u>PAGE</u>
30.	NOTICE OF DELAYS	29
31.	CONFLICT OF INTEREST.....	29
32.	AUTHORIZATION WARRANTY	30
33.	UNLAWFUL SOLICITATION.....	30
34.	CONFIDENTIALITY	30
35.	CONTRACTOR'S OFFICES	31
36.	VALIDITY	31
37.	CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS.....	31
38.	NONDISCRIMINATION IN SERVICES	32
39.	STAFF PERFORMANCE WHILE UNDER THE INFLUENCE	32
40.	CONTRACTOR'S PERFORMANCE DURING CIVIL UNREST AND DISASTER.....	32
41.	CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	33
42.	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	33
43.	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITTMENT TO CHILD SUPPORT ENFORCEMENT	33
44.	ACCESS TO COUNTY FACILITIES	34
45.	LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES	34
46.	DISPUTE RESOLUTION PROCEDURE.....	34
47.	COUNTY'S QUALITY ASSURANCE PLAN	36
48.	CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM.....	36
49.	NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT	37
50.	NOTICES.....	37
51.	CONTRACTOR'S RESPONSIBILITY AND DEBARMENT	38
52.	CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996.....	40

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>TITLE</u>	<u>PAGE</u>
53.	PUBLICITY	40
54.	PURCHASING RECYCLED CONTENT BOND PAPER.....	40
55.	COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM	41
56.	NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT.....	42
57	SAFELY SURRENDERED BABY LAW.....	42
58.	CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT SUM (UNDER CONTRACT SUM PROVISION)	43
59.	BUDGET REDUCTIONS	43
60.	CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST	43
61.	TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE	43
62.	TERMINATION FOR NON-APPROPRIATION OF FUNDS.....	44
63.	SUBCONTRACTING	44
64.	WARRANTIES.....	45

TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>TITLE</u>	<u>PAGE</u>
EXHIBITS:		
EXHIBIT A	STATEMENT OF WORK	
EXHIBIT B	PAYMENT SCHEDULE	
EXHIBIT C	CONTRACTOR EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT	
EXHIBIT D	COUNTY OF LOS ANGELES POLICY ON DOING BUSINESS WITH SMALL BUSINESS	
EXHIBIT E	IRS NOTICE 1015	
EXHIBIT F	SAFELY SURRENDERED BABY LAW	
EXHIBIT G	CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996	
EXHIBIT H	COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM APPLICATION FOR EXEMPTION AND CERTIFICATION FORM	

THIS AGREEMENT (hereafter "Agreement") is made and entered into this ___ day of _____, 2006, by and between the County of Los Angeles (hereafter "County") and NetResult, LLC. (hereafter "Contractor").

WHEREAS, pursuant to California Health and Safety Code sections 1441 and 1445, County has established and operates, through its Department of Health Services (hereafter "DHS"), a comprehensive healthcare system for County's population; and

WHEREAS, the "Director" as used in this Agreement shall refer to County's Director of Health Services (i.e., Director of the Department of Health Services) or his/her authorized designee; and

WHEREAS, NetResult, LLC., will provide data entry of death certificates using a web-based electronic death registration system; and

WHEREAS, Contractor has significant expertise and background to provide County with key data entry of death certificates using the electronic death registration and tracking system.

NOW, THEREFORE, Contractor and County hereby agree as follows:

1. APPLICABLE DOCUMENTS AND DEFINITIONS:

1.1 Interpretation:

Exhibits A, B, C, D, E, F, G and H are attached to and form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any Tasks, Subtasks, Deliverables, goods, services or other work, or otherwise, between the body of this Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency, shall be resolved by giving precedence first to the body of this Agreement and then to the Exhibits according to the following priority:

- Exhibit A - Statement of Work
- Exhibit B - Payment Schedule
- Exhibit C - Contractor Employee Acknowledgment And Confidentiality, And Copyright Assignment Agreement
- Exhibit D - Policy On Doing Business With Small Business
- Exhibit E - IRS Notice 1015
- Exhibit F - Safely Surrendered Baby Law
- Exhibit G - Contractor's Obligation As A Business Associate Under The Health Insurance Portability And Accountability Act Of 1996

Exhibit H - County of Los Angeles Contractor Employee Jury
Service Program Application for Exemption and
Certification Form

1.2 Entire Agreement:

The body of this Agreement, together with the Exhibits, shall constitute the complete and exclusive statement of understanding between the parties and shall supersede all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement.

1.3 Definitions:

1.3.1 Business Day(s):

As used herein, the terms "Business Day(s)" and "business day(s)" shall mean Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific Time), including holidays.

1.3.2 CDHS-CHS-OVR:

As used herein, the term "CDHS-CHS-OVR" shall mean California Department of Health Services-Center for Health Statistics-Office of Vital Records.

1.3.3 CHS:

As used herein, the term "CHS" shall mean Center for Health Statistics.

1.3.4 Contract Sum:

As used herein, the term "Contract Sum" shall mean the total monetary amount payable by County to Contractor hereunder, as set forth in Paragraph 8.

1.3.5 Contractor:

As used herein, the term "Contractor" shall mean NetResult, LLC.

1.3.6 Contractor's Project Director:

As used herein, the term "Contractor's Project Director" shall have the meaning specified in Subparagraph 3.1 (Contractor's Project Director).

1.3.7 Contractor's Project Manager:

As used herein, the term "Contractor's Project Manager" shall have the meaning specified in Subparagraph 3.2 (Contractor's Project Manager).

- 1.3.8 County:
As used herein, the term "County" shall mean the County of Los Angeles, California.
- 1.3.9 County Facility; County Facilities:
As used herein, the term "County Facility" shall mean any one (1), and the term "County Facilities" shall mean any two (2) or more, of the following; providers in the private and public Los Angeles County Organizations (LACO) facilities.
- 1.3.10 County's Project Director:
As used herein, the term "County's Project Director" shall have the meaning specified in Subparagraph 2.1 (County's Project Director).
- 1.3.11 County's Project Manager:
As used herein, the term "County's Project Manager" shall have the meaning specified in Subparagraph 2.2 (County's Project Manager).
- 1.3.12 Day(s):
As used herein, the terms "Day(s)" and "day(s)" shall mean calendar days and not business or working days, unless otherwise indicated.
- 1.3.13 Deficiency (ies):
As used herein, the terms "Deficiency" and "Deficiencies" shall mean a failure of a product to operate in accordance with Specifications.
- 1.3.14 Deliverable(s):
As used herein, the terms "Deliverable(s)" and "deliverable(s)" shall mean the item or service provided by Contractor under this Agreement, including, without limitation, those identified as a numbered Deliverable in Exhibit A (Statement of Work).
- 1.3.15 DHS:
As used herein, the term "DHS" shall mean County's Department of Health Services.
- 1.3.16 Director:
As used herein, the term "Director" shall mean the Director of DHS or his authorized designee.

- 1.3.17 DTN:
As used herein, the term “DTN” shall mean Document Tracking Number.
- 1.3.18 EDRS:
As used herein, the “EDRS” shall mean Electronic Death Registration System.
- 1.3.19 Effective Date:
As used herein, the term “Effective Date” shall mean the date of execution of this Agreement by County’s Board of Supervisors.
- 1.3.20 LADHS:
As used herein, the term “LADHS” shall mean Los Angeles County – Department of Health Services.
- 1.3.21 LRN:
As used herein, the term “LRN” shall mean Local Registration Number.
- 1.3.22 MSA:
As used herein, the term “MSA” shall mean Master Service Agreement.
- 1.3.23 Subtask(s):
As used herein, the terms “Subtask(s)” and “subtask(s)” shall mean one or more of the areas of work to be performed under this Agreement, including, without limitation, those identified as a numbered Subtask in Exhibit A (Statement of Work).
- 1.3.24 Task(s):
As used herein, the terms “Task(s)” and “task(s)” shall mean one or more of the areas of work to be performed under this Agreement, including, without limitation, those identified as a numbered Task in Exhibit A (Statement of Work).
- 1.3.25 Update:
As used herein, the term “Update” shall mean new version of a product that includes corrections, bug fixes and/or minor enhancements that operate within the framework of the specifications for the current release of the product.
- 1.3.26 Upgrade:

As used herein, the term "Upgrade" shall mean a new version of a product that includes substantive features or functions not performed by the prior release of the product.

1.3.27 User(s):

As used herein, the terms "User(s)" and "user(s)" shall mean any one or more of the persons or organizations, which are authorized by County or a County Facility to access or use of the Electronic Death Registration System (EDRS).

2. ADMINISTRATION OF AGREEMENT - COUNTY:

2.1 County's Project Director:

2.1.1 County's Project Director for this Agreement shall be the following person or his designee:

Frank Sorvillo, Ph.D., Chief
Department of Health Services
Data Collection and Analysis
313 N. Figueroa Street, Room 127
Los Angeles, California 90012
Telephone: (213) 240-7785
FAX: (213) 250-2594
Email: fsorvillo@ladhs.org

2.1.2 County will notify Contractor in writing of any change in the name or address of County's Project Director.

2.1.3 County's Project Director will be responsible for ensuring that the objectives of this Agreement are met.

2.1.4 County's Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

2.1.5 County's Project Director will have the right at all times to inspect any and all Tasks, subtasks, Deliverables, goods, services or other work provided by or on behalf of Contractor.

2.2 County's Project Manager:

2.2.1 County's Project Manager for this Agreement shall be the following person or his/her designee:

Amy Chan

Data Collection and Analysis
313 N. Figueroa Street, Room 127
Los Angeles, California 90012
(213) 989-7005
Email: amchan@ladhs.org

- 2.2.2 County will notify Contractor in writing of any change in the name or address of County's Project Manager.
- 2.2.3 County's Project Manager will be responsible for ensuring that the technical standards and requirements of this Agreement are met.
- 2.2.4 County's Project Manager will interface with Contractor's Project Manager on a regular basis.
- 2.2.5 County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.
- 2.2.6 County's Project Manager will advise County's Project Director as to Contractor's performance in areas relating to requirements and technical standards.

2.3 County Personnel:

All County personnel shall be under the exclusive supervision of County. Contractor understands and agrees that all such County personnel are assigned only for the convenience of County. Contractor hereby represents that its price, project schedule and performance hereunder are based solely on the work of Contractor's personnel, except as otherwise expressly provided in this Agreement.

2.4 Approval of Work:

All completed Tasks, subtasks, Deliverables, goods, services and other work provided by Contractor must have the written approval of County's Project Manager. In no event shall County be liable or responsible for any payment prior to such written approval.

2.5 Approval of Invoices:

All invoices submitted by Contractor for payment must have the written approval of County's Project Manager prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval.

3. ADMINISTRATION OF AGREEMENT - CONTRACTOR:

3.1 Contractor's Project Director:

- 3.1.1 Contractor's Project Director shall be the following person, who shall be a full-time employee of Contractor:

Phat Bui
NetResult, LLC
10051 Trask Avenue
Garden Grove, CA 92843
(714) 638-9400

- 3.1.1 Contractor's Project Director shall be responsible for Contractor's performance of all of the work and ensuring Contractor's compliance with this Agreement.
- 3.1.2 Contractor's Project Director shall be available to meet and confer with County's Project Director no less frequently than monthly in person or by telephone, to review Contractor's performance of this Agreement.

3.2 Contractor's Project Manager:

- 3.2.1 Contractor's Project Manager shall be the following person who shall be a full-time employee of Contractor:

Mai Luong
NetResult, LLC
10051 Trask Avenue
Garden Grove, CA 92843
(714) 638-9400

- 3.2.2 Contractor's Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement.
- 3.2.3 Contractor's Project Manager shall meet and confer with County's Project Manager on a regular basis.

3.3 Contractor's Staff:

- 3.3.1 Contractor staff shall meet and confer with County's Project Manager as agreed by both Contractor's Project Manager and County's Project Manager.
- 3.3.2 Contractor shall be responsible for managing, evaluating and training the County's staff.

3.4 Approval of Contractor's Staff:

County has the absolute right to approve or disapprove each member or proposed member of Contractor's staff, including, but not limited to, Contractor's Project Manager and Contractor's staff prior to, and during, their performing any work hereunder, as well as approving or disapproving any proposed deletions from or other changes in such staff. County's Project Director may require replacement of any member of Contractor's staff performing, or offering to perform work hereunder, including, but not limited to, Contractor's Project Manager. Contractor shall provide County with a resume of each such proposed initial staff member, including, but not limited to, Contractor's Project Manager, Contractor's staff and proposed substitute, and an opportunity to interview such person prior to his performing any work hereunder.

Contractor shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

In fulfillment of its responsibilities under this Agreement, Contractor shall utilize and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, Tasks and Subtasks required by this Agreement.

Contractor shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner including, without limitation, as required to fulfill all requirements of this Agreement.

Contractor shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner including, without limitation, as required to fulfill all requirements of this Agreement.

In the event Contractor should ever need to remove any staff from performing work under this Agreement, Contractor shall provide County with notice at least fifteen (15) Days in advance, except in circumstances

in which such notice is not possible, and shall work with County on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

All staff employed by and on behalf of Contractor shall be adults who are fully fluent in both spoken and written English.

4. WORK:

4.1 General:

Pursuant to the provisions of this Agreement, Contractor shall fully provide, complete and deliver on time all Tasks, Subtasks, Deliverables, goods, services and other work in the manner described in Exhibit A (Statement of Work), attached hereto and incorporated herein by reference.

4.2 Unapproved Work:

If Contractor provides any Tasks, Subtasks, Deliverables, goods, services or other work to County other than those specified in this Agreement, or if Contractor provides such items requiring County's prior written approval without first having obtained such written approval, the same shall be deemed to be a gratuitous effort on the part of Contractor and Contractor shall have no claim whatsoever against County.

4.3 Right To Reject:

County reserves the right to reject any Tasks, Subtasks, Deliverables, goods, services and/or other work not approved by County pursuant to Subparagraph 2.4 (Approval of Work) or other provisions of this Agreement.

5. TERM:

The term of this Agreement shall commence upon the Board of Supervisors' approval and shall continue in full force and effect through December 31, 2006.

This Agreement may be cancelled or terminated at any time by either party without cause upon the giving of at least thirty (30) days' written notice to the other. County may (also) suspend the performance of services hereunder in whole or in part, upon the giving of at least a thirty (30) day written notice to Contractor. County's notice shall set forth the extent of the suspension and the requirements for full restoration of the performance obligations.

In the event of the expiration or prior termination of the term of this Agreement, Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method County determines to be in its best interest.

6. NON-EXCLUSIVITY:

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

7. CHANGE NOTICES AND AMENDMENTS:

- 7.1 County reserves the right to change any portion of the work required under this Agreement and any other provisions of this Agreement. All such changes shall be accomplished only as provided for in this Paragraph.
- 7.2 For any change requested by County which does not affect the scope of work, payments, or any term or condition included in this Agreement, a Change Notice shall be prepared and executed by County's Project Director and Contractor's Project Manager.
- 7.3 For any change requested by County, which affects the scope of work, payments, or any term or condition included in this Agreement, a negotiated Amendment to this Agreement shall be prepared and executed by the County's Board of Supervisors and Contractor.

8. CONTRACT SUM:

The Contract Sum under this Agreement shall be the total monetary amount payable by County to Contractor for supplying all the Tasks, Subtasks, Deliverables, goods, services, and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum, including all applicable taxes, authorized by County hereunder shall not exceed Two Hundred Thousand Dollars (\$200,000), effective upon the Board of Supervisors' approval through December 31, 2006.

Notwithstanding any other provision of this Subparagraph, Contractor shall fully perform and complete all work required of Contractor by this Agreement in exchange for the amounts to be paid to Contractor as set forth in this Agreement.

The Contract Sum shall not be adjusted for any costs or expenses whatsoever of Contractor.

9. INVOICES AND PAYMENTS:

9.1 Invoices:

Contractor shall invoice County monthly, in arrears, for all Tasks, Subtasks Deliverables, goods, services and other work, which are specified in Exhibit A (Statement of Work) and which are provided by Contractor and approved in writing by County. Contractor shall prepare invoices, which shall include the charges owed to Contractor by County under the terms of this Agreement. All invoices shall be subject to County's written approval pursuant to Subparagraph 2.5 (Approval of Invoices). Contractor's payments shall be as provided for in Exhibit B (Payment Schedule). All invoices under this Agreement shall be submitted to County's Project Manager. Each invoice submitted by Contractor shall indicate:

- A. The Tasks, Subtasks, Deliverables, goods, services or other work as described in Exhibit A (Statement of Work) for which payment is claimed.
- B. The date of written approval of the Tasks, Subtasks, Deliverables, goods, services or other work by County's Project Director.

9.2 County's Right to Withhold Payments:

During any calendar month in which Contractor's performance is deemed unsatisfactory, as determined by County, for any and all Tasks, Subtasks, Deliverables, goods, services or other work required by this Agreement, County, in its sole discretion, may withhold any amounts due to Contractor during the period of unsatisfactory performance and until such time as performance is deemed by County's Project Director, at his sole discretion, to be satisfactory.

10. PROHIBITION AGAINST DELEGATION AND ASSIGNMENT:

- 10.1 Contractor shall not have any right to, and shall not, assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its sole discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Paragraph, County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any payments by County to any delegatee or

assignee on any claim under this Agreement, in consequence of any such consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set-off, recoupment or other reduction for any claims which County may have against Contractor, whether under this Agreement or otherwise.

11. WARRANTY AGAINST CONTINGENT FEES:

- 11.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.
- 11.2 For breach of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, deduct from this Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

12. INDEPENDENT CONTRACTOR STATUS:

- 12.1 This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 12.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement, all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.
- 12.3 Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of workers' compensation liability, employees solely of Contractor and not employees of County. Contractor shall be solely liable and responsible for furnishing any and all workers' compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of Contractor pursuant to this Agreement.

12.4 Contractor shall provide to County an executed Contractor Employee Acknowledgment, Confidentiality and Copyright Assignment Agreement (Exhibit C) for each of its employees performing work under this Agreement. Such agreements shall be delivered to County's Department of Human Resources, Health Safety and Disability Benefits Division, 3333 Wilshire Boulevard, 10th Floor, Los Angeles, California 90010, on or immediately after the execution of this Agreement by County's Board of Supervisors, but in no event later than the date any such employee first performs work under this Agreement.

13. INDEMNIFICATION, INSURANCE AND COVERAGE:

13.1 Indemnification:

Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees and agents from and against any and all liability, including, but not limited to, demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

13.2 General Insurance Requirements:

Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

A. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Department of Health Services, Contracts and Grants Division, 313 North Figueroa Street, Sixth Floor East, Los Angeles, California 90012, Attention: K. Ellis, Contract Administrator, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverage's required in this Agreement.
- (3) Contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of

cancellation for all policies evidenced on the certificate of insurance.

- (4) Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insured for all activities arising from this Agreement.
- (5) Identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

- B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A. M. Best rating of not less than A:VII, unless otherwise approved by County.
- C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.
- D. Notification of Incidents, Claims or Suits: Contractor shall report to County:
 - (1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

- (2) Any third-party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.
- (3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a "County Non-employee Injury Report" to the County's Project Manager.
- (4) Any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure that any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- (1) Contractor providing evidence of insurance covering the activities of sub-contractors, or
- (2) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

13.3 Insurance Coverage Requirements:

A. General Liability Insurance (written on Insurance Services Office (ISO) policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

B. Automobile Liability Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1

million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

- C. Workers Compensation and Employers' Liability: Insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U. S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- D. Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.

14. RECORDS AND AUDITS:

- 14.1 Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement. Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity or records relating to this Agreement provided such access rights do not constitute an unlawful invasion of the privacy rights of any Contractor employee and would not in the reasonable opinion of Contractor subject Contractor to legal liability. All such material, including, but not limited to, all financial records, time cards and other employment records and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County during the term of this Agreement and for a period of five (5) years thereafter, unless County's written permission is given to dispose of any such material prior to such

time. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at County's option, Contractor shall pay County for travel, per diem and other costs incurred by County to examine, audit, excerpt, copy or transcribe such material at such other location.

14.2 In the event that an audit is conducted of Contractor specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise specifically regarding this Agreement, then Contractor shall file a copy of such audit report with County's Auditor-Controller and County's Project Director within thirty (30) Days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

14.3 Failure on the part of Contractor to comply with any of the provisions of this Paragraph shall constitute a material breach of this Agreement upon which County may immediately terminate this Agreement.

15. COUNTY AUDIT SETTLEMENTS:

If, at any time during or after the term of this Agreement, representatives of County conduct an audit of Contractor regarding the work performed under this Agreement, and if such audit finds that County's dollar liability for any such work is less than payments made by County to Contractor, then the difference, together with County's reasonable costs of audit, shall be either repaid by Contractor to County by cash payment upon demand or, at the sole option of Director, deducted from any amounts due to Contractor from County, whether under this Agreement or otherwise. If such audit finds that County's dollar liability for such work is more than the payments made by County to Contractor, then the difference shall be paid to Contractor by County, but in no event shall County's payments to Contractor exceed the Contract Sum identified in Paragraph 8 (Contract Sum).

16. FEDERAL ACCESS TO RECORDS:

If, and to the extent that, Section 1861(v)(1)(i) of the Social Security Act (42 United States Code Section 1395x(v)(1)(i)) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their authorized representatives, the contracts, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services

provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve-month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

17. DISCLOSURE OF INFORMATION:

17.1 Contractor shall not disclose any terms or conditions of, or any circumstances or events which occur during the performance of this Agreement to any person or entity except as may be otherwise provided herein or required by law. In the event Contractor receives any court or administrative agency order, service of process, or request by any person or entity (other than Contractor's professionals) for disclosure of any such details, Contractor shall immediately notify County's Project Director. Thereafter, Contractor shall comply with such order, process or request only to the extent required by applicable law. Notwithstanding the preceding sentence, to the extent permitted by law, Contractor shall delay such compliance and cooperate with County to obtain relief from such obligations to disclose until County shall have been given a reasonable opportunity to obtain such relief. However, in recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under this Agreement within the following conditions:

- A. Contractor shall develop all publicity material in a professional manner.
- B. During the term of this Agreement, Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles or other materials using the name of County without the prior written consent of County's Project Director. County shall not unreasonably withhold written consent, and approval by County may be assumed in the event no adverse comments are received in writing within two (2) weeks after submittal.
- C. Contractor may without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with County, provided that the requirements of this Paragraph shall apply.

17.2 Notwithstanding any other provision of this Agreement, either party may disclose information about the other which (i) is lawfully in the public

domain at the time of disclosure, (ii) is disclosed with the prior written approval of the party to which such information pertains, or (iii) is required by law to be disclosed.

18. PROPRIETARY CONSIDERATIONS:

- 18.1 Contractor and County agree that all materials, plans, reports, manuals, departmental procedures and processes, data and information (hereafter in this Paragraph collectively "County Materials") developed by Contractor under this Agreement with, or for delivery to, County, and all copyrights, patent rights, trade secret rights and other proprietary rights therein shall be the sole property of County, and Contractor hereby assigns and transfers to County all Contractor's right, title and interest in and to all County Materials, provided that notwithstanding such County ownership, Contractor may retain possession of all working papers prepared by Contractor.
- 18.2 During the term of this Agreement and for five (5) years thereafter, Contractor shall maintain and provide security for all Contractor's working papers prepared under this Agreement, and shall protect such working papers from loss or damage by any cause, including, but not limited to, fire and theft. County shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.
- 18.3 Items which are in the nature of County Materials, but which are not County Materials, which are developed or were originally acquired by Contractor outside the scope of this Agreement, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to County's Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "PROPRIETARY" or "CONFIDENTIAL". Without limiting the foregoing obligation of Contractor to mark proprietary and confidential material, County recognizes that the Software is proprietary and confidential.
- 18.4 Contractor hereby grants to County for the use of County and all other users, an irrevocable perpetual, nonexclusive, nonterminable license to use, modify and reproduce any and all County Materials.
- 18.5 County will use reasonable means to ensure that Contractor's proprietary and confidential items are safeguarded and held in confidence. County agrees not to reproduce, distribute or disclose to non-County entities (other than outside counsel or consultants subject to non-disclosure agreements or obligations) Contractor's proprietary and confidential items,

including the Software, without the prior written permission of Contractor or as required by law or pursuant to Paragraph 46 (Dispute Resolution Procedure).

- 18.6 Notwithstanding any other provision of this Agreement, County shall not be obligated in any way under this Agreement for:
- A. Any Contractor's proprietary and/or confidential items not plainly and prominently marked with restrictive legends required pursuant to Subparagraph 18.3;
 - B. Any County Materials covered under Subparagraph 18.1 and;
 - C. Any disclosure of any materials which County is required to make under the California Public Records Act or otherwise by law.
- 18.7 Contractor shall protect the security of and keep confidential all County Materials in Contractor's possession. Further, Contractor shall use whatever security measures are reasonably necessary to protect all County Materials in Contractor's possession from loss or damage by any cause, including, but not limited to, fire and theft.
- 18.8 Contractor shall not reproduce, distribute or disclose to any person or entity any information identifying, characterizing, or relating to any risk, threat, vulnerability, weakness, or problem regarding data security in County's computer systems, or to any safeguard, countermeasure, or contingency plan, policy or procedure for data security contemplated or implemented by County, without County's prior written consent.
- 18.9 The provisions of Subparagraphs 18.7 and 18.8 shall survive the expiration or termination of this Agreement.

19. COMPLIANCE WITH APPLICABLE LAW:

- 19.1 Contractor's activities hereunder shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, guidelines and directives and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference. Contractor shall have up to thirty (30) days to correct any noncompliance with County rules, regulations, ordinances, guidelines and directives following written notice from County including written copies of such applicable rules, regulations, ordinances, guidelines and/or directives.
- 19.2 Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents from and against any and all claims, demands,

damages, liabilities, losses, costs and expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, arising from or related to any violation on the part of Contractor, its employees, agents or subcontractors of any such laws, rules, regulations, ordinances, guidelines or directives. Any legal defense pursuant to Contractor's indemnification obligations under this Subparagraph shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County (which approval shall not be unreasonably withheld) in writing. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as required by law or this Agreement, County shall be entitled to reimbursement for all such costs and expenses.

20. FAIR LABOR STANDARDS:

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend and hold harmless County, its officers, employees and agents from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act for work performed by Contractor's employees.

21. NONDISCRIMINATION AND AFFIRMATIVE ACTION AND COMPLIANCE WITH CIVIL RIGHTS LAWS:

- 21.1 Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 21.2 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including, without limitation, apprenticeship.

- 21.3 Contractor certifies and agrees that it will deal with its vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 21.4 Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement, or under any project, program, or activity supported by this Agreement.
- 21.5 Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph when so requested by County.
- 21.6 If County finds that any of the provisions of this Paragraph have been violated, such violation shall, at the election of County, constitute a material breach of this Agreement upon which County may immediately terminate this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.
- 21.7 The parties agree that in the event Contractor violates the anti-discrimination provisions of this Agreement, County shall, at its option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating this Agreement.
- 21.8 Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

22. EMPLOYMENT ELIGIBILITY VERIFICATION:

Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended.

Contractor shall retain all such documentation for the period prescribed by law. Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, arising out of or in connection with any employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work hereunder. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County (which approval shall not be unreasonably withheld) in writing. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as required by law or this Agreement, County shall be entitled to reimbursement for all such costs and expenses.

23. WAIVER:

No waiver by County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

Without limitation of the foregoing, County may deduct from amounts otherwise payable to Contractor hereunder County's uncompensated damages for Contractor's breach of any provision hereof. The preceding sentence is intended only as a clarification of County's remedies in the event of breach, and shall not be deemed to impair any claims that Contractor may have against County or Contractor's rights to assert such claims pursuant to Paragraph 46 (Dispute Resolution Procedure).

24. GOVERNING LAW, JURISDICTION AND VENUE:

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to agreements made and to be performed within that State. Without limiting the foregoing, Contractor and County intend that this Agreement shall be subject to the provisions of the Uniform Commercial Code as enacted in California, and the parties hereto shall retain all of their rights and remedies there under. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California (except with respect to claims that are subject to exclusive federal subject matter jurisdiction, as to which Contractor agrees and consents to the exclusive jurisdiction of the Federal District Court of the Central District of California) for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California.

25. TERMINATION FOR INSOLVENCY:

25.1 County may terminate this Agreement immediately at any time following the occurrence of any of the following:

- A. Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay or has admitted in writing its inability to pay its debts for at least sixty (60) Days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the United States Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the United States Bankruptcy Code, provided that Contractor shall not be deemed insolvent if it has ceased in the normal course of business to pay its debts which are disputed in good faith and which are not related to this Agreement as determined by County.
- B. The filing of a voluntary or involuntary petition (which involuntary petition is not dismissed within sixty (60) Days) regarding Contractor under the United States Bankruptcy Code.
- C. The appointment of a receiver or trustee for Contractor.
- D. The execution by Contractor of a general assignment for the benefit of creditors.

- 25.2 The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- 25.3 Contractor agrees that if Contractor as a debtor-in-possession, or if a trustee in bankruptcy, rejects this Agreement, County may elect to retain its rights under this Agreement, as provided under Section 365(n) of the United States Bankruptcy Code (11 United States Code, Section 365(n)). Upon written request of County to Contractor or the trustee in bankruptcy, as applicable, Contractor or such trustee shall allow County to exercise all of its rights and benefits under this Agreement including, without limitation, such Section 365(n) (including, without limitation, the right to continued use of all source and object code versions of the Software and related documentation), and shall not interfere with the rights and benefits of County as provided therein. The foregoing shall survive the termination or expiration of this Agreement for any reason whatsoever.

26. TERMINATION FOR DEFAULT:

- 26.1 County may, by written notice to Contractor, terminate the whole or any part of this Agreement in any one of the following circumstances:
- A. If Contractor fails to perform or provide any Tasks, subtasks, Deliverables goods, services or other work (i) within the times specified in this Agreement, including the applicable notice and/or cure periods, if any (if no cure period is specified in the Agreement, Contractor shall have fifteen (15) Days to cure prior to termination under this Subparagraph), or (ii) any authorized extensions thereof (provided that nothing in this Subparagraph shall in any way limit or modify any rights of County or obligations of Contractor relating to timely performance by Contractor as otherwise set forth in this Agreement); or
 - B. If Contractor fails to perform or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of fifteen (15) Days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure, provided that Contractor shall not be entitled and County may terminate this Agreement immediately, in the event that County determines Contractor's failure to perform or comply is not reasonably capable of being cured or cannot be cured by Contractor in a reasonable time. If, pursuant to the preceding sentence, County

has terminated this Agreement without providing a cure period, and subsequently a final determination is made that the default was capable of being cured, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 28 (Termination for Convenience).

- 26.2 In the event that County terminates this Agreement in whole or in part as provided in Paragraph 25 (Termination for Insolvency) or this Paragraph, then:
- A. County shall have the right to procure, upon such terms and in such a manner as County may deem appropriate, goods, services and other work, similar to those so terminated, and Contractor shall be liable to County for, and shall promptly pay to County by cash payment, any and all excess costs incurred by County, as determined by County, to procure and furnish such similar goods, services and other work; and
 - C. Contractor and County shall continue the performance of this Agreement to the extent not terminated under the provisions of Paragraph 25 (Termination for Insolvency) and/or this Paragraph; and
 - D. Contractor understands and agrees that DHS has obligations that it cannot satisfy without use of the Software or equivalent Software, and that a failure to satisfy such obligations could result in irreparable damage to County and the entities it serves. Therefore, Contractor agrees that in the event of any termination of this Agreement, as a result of the breach hereof by either party, or for any other reason, Contractor shall fully cooperate with County in the transition of County to a new Software, toward the end that there be no interruption of DHS' day to day operations due to the unavailability of the Software during such transaction.
- 26.3 Contractor shall not be liable for any such excess costs, if its failure to perform this Agreement arises out of fires, floods, epidemics, quarantine restrictions, other acts of God, strikes or freight embargoes, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without any fault or negligence of either of them, Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required

performance schedule. Contractor agrees to use all reasonable commercial efforts to obtain such goods or services from other sources.

26.4 If, after County has given notice of termination under the provisions of this Paragraph, it is determined by County that Contractor was not in default under the provisions of this Paragraph, or that the default was excusable under the provisions of this Paragraph, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 28 (Termination for Convenience).

26.5 The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

27. TERMINATION FOR IMPROPER CONSIDERATION:

County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to Contractor's performance pursuant to this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default of Contractor.

Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee or to County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, and service, the provision of travel or entertainment, or tangible gifts.

28. TERMINATION FOR CONVENIENCE:

28.1 This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by County to be in its best interest. Termination of work hereunder shall be effected by delivery to Contractor of a notice of termination specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) days after the notice is sent, provided that in the event County has purported to terminate this Agreement for default by notice pursuant to Paragraph 26 (Termination for Default) and it has later

been determined that Contractor was not in default, no additional notice shall be required upon such determination.

28.2 After receipt of a notice of termination, and except as otherwise directed by County, Contractor shall:

- A. Stop work under this Agreement on the date and to the extent specified in such notice;
- B. Transfer and deliver to County copies of all documentation, materials, plans, reports, acceptance test criteria, acceptance and the Project Work Plan and all other completed work and work in process developed under this Agreement; and
- C. Complete performance of such part of the work as shall not have been terminated by such notice.

28.3 Nothing in this Paragraph shall be deemed to prejudice any right of Contractor to make a claim against County in accordance with applicable law and regular County procedures for payment for work performed through the effective date of County's termination of this Agreement for convenience.

28.4 For a period of five (5) years after final settlement under this Agreement, Contractor shall make available to County, at all reasonable times, all its books, records, documents or other evidence bearing on the costs and expenses of Contractor under this Agreement with respect to the termination of work hereunder. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if such material is located outside Los Angeles County, then, at County's option, Contractor shall pay County for travel, per diem and other costs incurred by County to examine, audit, excerpt, copy or transcribe such material at such other location.

29. PROHIBITION AGAINST SUBCONTRACTING:

County has relied, in entering into this Agreement, on the reputation of and on obtaining the personal performance of Contractor itself. Consequently, no performance of this Agreement, or any portion thereof, shall be subcontracted by Contractor. Any attempt by Contractor to subcontract any performance, obligation or responsibility under this Agreement, shall be null and void and shall constitute a material breach of this Agreement, upon which County may immediately terminate this Agreement.

30. NOTICE OF DELAYS:

In the event Contractor determines at any time that failure, delay or inadequacy of performance of any of County's obligations hereunder may prevent or tend to prevent Contractor from completing any of Contractor's obligations in a timely manner or may cause or tend to cause Contractor to incur additional or unanticipated costs or expenses, Contractor shall promptly following such determination (and without limiting Contractor's obligation of prompt notification, in any event within fifteen (15) Days following such determination), notify County's Project Director in writing, which notice shall specify in reasonable detail: (1) any alleged failure, delay or inadequacy of performance by County and (2) to the best knowledge of Contractor after due inquiry and analysis, the estimated impact of such alleged failure, delay or inadequacy on the performance of Contractor's obligations, including, but not limited to, any estimated delay and any estimated amount of additional or unanticipated costs or expenses that may be incurred. In the event that Contractor fails to fulfill any of its obligations in a timely manner as a direct result of a failure, delay or inadequacy of performance of any of County's obligations after timely written notice to County by Contractor of such failure, delay or inadequacy of performance, then the date for Contractor's completion of such obligation may be appropriately extended, as determined in the sole discretion of County's Project Director. Contractor shall take all reasonable actions to mitigate or reduce any delays. In the event Contractor fails to notify County in writing of any alleged failure, delay or inadequacy of performance in a timely manner as set forth in this Paragraph, Contractor shall not be entitled to rely upon such alleged failure, delay or inadequacy of performance for any purpose whatsoever, including, but not limited to, as a purported justification for either: (1) claiming that Contractor is entitled to receive any additional payments from County hereunder or (2) failing to fulfill any of Contractor's obligations in a timely manner. This Paragraph shall not be interpreted or construed as expanding in any manner or to any extent the financial obligations of County under this Agreement.

31. CONFLICT OF INTEREST:

31.1 No County employee whose position with County enables such employee to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor, who may financially benefit from the performance of work hereunder, shall in any way participate in County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.

31.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts, which do or could create a conflict of interest. If Contractor hereafter becomes aware of any facts, which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

32. AUTHORIZATION WARRANTY:

Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition and obligation of this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

33. UNLAWFUL SOLICITATION:

Contractor shall inform all of its employees who provide services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor shall utilize the attorney referral service of all those bar associations within Los Angeles County that have such a service.

34. CONFIDENTIALITY:

Contractor shall maintain the confidentiality of all records, data and information, including, but not limited to, billings, County records and data, and other information, in accordance with all applicable Federal, State and local laws, regulations, ordinances, guidelines and directives relating to confidentiality. Contractor shall inform all of its officers, employees and agents providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall provide to County an executed Contractor Employee Acknowledgment, Confidentiality and Copyright Assignment Agreement (Exhibit C) for each of its employees performing work under this Agreement in accordance with the Independent Contractor Status Paragraph.

Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all loss, damage, liability and expense, including, but not limited to, defense costs and legal, accounting and

other expert, consulting or professional fees, arising from any disclosure of such records and information by Contractor, its officers, employees or agents, except for any disclosure authorized by this Paragraph.

With respect to any identifiable records or information concerning any patient that is obtained by Contractor or any other records and information, Contractor shall: (1) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to County all requests for disclosure of any such records or information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (4) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.

35. CONTRACTOR'S OFFICES:

Contractor shall notify in writing DHS, Contracts and Grants Division, 313 North Figueroa, Sixth Floor-East, Los Angeles, California 90012, Attention: Chief, of any change in its business address at least ten (10) Days prior to the effective date thereof.

36. VALIDITY:

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

37. CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS:

Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give consideration for any such employment openings to participants in County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

38. NONDISCRIMINATION IN SERVICES:

38.1 Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap, in accordance with all applicable requirements of Federal and State law. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of the facility, providing any service or benefit to any person which is not equivalent or is not provided in an equivalent manner or at an equivalent time to that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit.

38.2 Contractor shall ensure that recipients of services under this Agreement are provided services without regard to race, color, religion, national origin, ancestry, sex, age, or condition of physical or mental handicap.

39. STAFF PERFORMANCE WHILE UNDER THE INFLUENCE:

Contractor shall use reasonable efforts to ensure that no employee will perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic or other substance which might impair his/her physical or mental performance.

40. CONTRACTOR PERFORMANCE DURING CIVIL UNREST AND DISASTER:

Contractor recognizes that County provides services essential to the residents of the communities it serves, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible without related danger to Contractor's or its employees and suppliers. During any such event in which the health or safety of any of Contractor's staff members would be endangered by performing their services on-site, such staff members may perform any or all of their services remotely.